

MONDAY, 17TH FEBRUARY, 1919.

FRANK COOPER, representing the Engineering and Agricultural-implement-making Industries, examined. (No. 49.)

In representing the engineering and agricultural-implement manufacturers to-day I am doing so by the instruction of the local association, which I represent, entirely from a Dominion aspect. We wish to bring before you five proposals, as follows: (1) To ensure that all articles which have been demonstrated can be made in the Dominion should be made in the Dominion; (2) to enable and ensure that these articles shall be made to the best advantage and reach the consumer at the minimum cost; (3) to give opportunity to manufacturers to study methods in more advanced countries; (4) that there be a Department of Industries in effect, instead of in name only as at present; (5) that there be a checking-system for parcels throughout the Dominion under control of Railway to cover rail, boat, or coach. In regard to No. 1, we suggest the only rational and practical method. Statistics show that where New Zealand industries are adequately protected they will advance with the population, and that where inadequately protected they do not keep pace with population. The engineering trade has practically no protection. On engineering imports the duty collected in 1911 represented only 3 per cent. on the value imported. Three per cent. on the value imported represents about $1\frac{1}{2}$ per cent. on the sale price. In many cases a 25-per-cent. duty would be inadequate to balance the difference in wages rates of the country of origin with New Zealand. The average wage per hand in New Zealand is 28 per cent. higher than in the same industry in the United States and 100 per cent. higher than in Great Britain. Except for revenue considerations, Customs duty if inadequate only adds to the cost to the consumer, as it fails to encourage investment of capital and specialization in manufacture. If there is adequate protection it results in specialization and reduced cost to the consumer. As an instance, ranges and farm-drays have proved this. In 1882 the Customs tariff on carts was 15 per cent. In 1888 this was raised to 20 per cent. While the tariff was 15 per cent. that amount was added to the cost of the drays, which were at that time imported from New South Wales. When the tariff was altered to 20 per cent. the addition was sufficient to warrant capital being put into the manufacture of drays, and in a few years they were sold at less money than they had been under the 15 per cent., with the result that Australian drays were completely knocked out, and here they became a regular article of manufacture. The agricultural-implement-making industry is unique in the treatment accorded it through the tariff. Most industries have some tariff assistance, but this industry has none whatever. During the period 1896-1911 the area under cultivation increased by 12,000,000 acres, but the number of hands making implements by only sixty-five. Imports in the same period increased by 156 per cent. The importance of the engineering and agricultural-implement industry does not appear to be realized. The war has demonstrated that had not Great Britain's engineering industry been such as could be developed quickly war demands for arms, munitions, motor vehicles, aeroplanes, tanks, war-vessels, &c., could not have been adequately met. The engineering industry furnishes machinery for all other industries. It also trains the most skilled operatives for them. A marine engineer is not possible without the training of an engineer's shop. Operatives trained in engineers' shops are essential in New Zealand to many industries. According to the Labour Department's report for 1913 there were twenty-one at tram-car building, forty-four at sugar-refining, fifty-seven at meat-freezing, sixty-eight at gas-manufacturing, thirty-three at gas-manufacturing (machinists), twelve at shipwrighting, twenty-six at sawmilling, and thirty-four at printing establishments; whilst coal-mines, gold-mines, boot-factories, furniture-factories, tanneries, woollen-mills, motor-garages, electrical works, pumping-stations, electric-power stations, tramway services, and public works are dependent upon them. If the industry was developed to the extent sought there could be five hundred more youths than at present converted into skilled artisans and producers annually. Under present conditions many youths have no opportunity but to become unskilled workers, and probably dissatisfied citizens. The shortage of female operatives in clothing-factories, boot-factories, and woollen-mills, and of domestic servants is attributable to industries employing males, such as engineering, being undeveloped sufficiently. The present position of the engineering industry in the Dominion, although far from satisfactory, is creditable to all engaged in it under present conditions. As shown, it has held on despite the lack of protection, and despite the disparity mentioned in wages in larger countries. It can be demonstrated that dealing with machinery already being manufactured and which the Dominion is equipped for making there are of this class of goods alone sufficient being imported to find employment for thirteen hundred operatives, representing support for a population of over five thousand souls, whilst articles other than machines would increase this materially. Articles for which Christchurch factories are equipped and are making are appended in Table A and Table B. In laying this aspect before you, and before defining what is thought to be essential, it is necessary to mention that engineers throughout the Dominion have drawn the attention of Parliament to the necessity for protection so many times without avail that it was only upon the grounds of the Dominion's interests in connection with post-war conditions that engineers now consent to representations being made. Nearly all engineering establishments, whilst doing as much manufacturing as conditions will permit, have in self-defence had to become importers also, and in specifying articles which should have protective duties there is hardly a manufacturer who will individually not be a loser instead of a gainer by the proposals. Manufacturers believe that from a Dominion aspect the Dominion should profit considerably by some such tariff as that proposed. It is worth emphasizing that in the case of Dominion manufactures the cost of the article and the article itself remains in the Dominion. In the case of importation the article remains and the cost emigrates. Some years ago two sprinklers were required for the city